CES, NHMA SHOW COVERAGE

formerly Merchandising Week

A GRALLA PUBLICATION

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON MIND

FEBRUARY 1980

RECEIVED
FEB 11 1980

C 4200-1

59-A 8006 UL
ACQ EDITOR INFO SVC
CONGRESSIONAL
7101 WISCONSIN AVE
WASHINGTON DC 20014

Racing for Profits— Olympian Retailers of Major Appliances

Formerly Merchandising Week

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PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

FOR OVER 60,000 READERS
51,000 RETAILERS

February 1980

MA Pacesetters 16B

There are always some retailers who go against the grain, the ones who bloom while others fade, especially when the going gets a bit sticky. *Merchandising* correspondents take a close look at some of these "Olympians" of major appliances. They are dealers of several different types—ranging from department stores to discounters to chains to independents to kitchen remodelers—and they're spread geographically from Hawaii to Connecticut. But they have one thing in common: They're all "pacesetters" in their respective markets.

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NHMA Coverage 40

The tone of NHMA's National Housewares Exposition was definitely upbeat. Buyers and sellers spent much time discussing spring programs and promotions. No one was playing the dating game, money is just too expensive.

It appears that almost everybody is getting into the gourmet act—food and drug chains, catalog chains and showrooms, as well as hardware stores.

SilverStone, stainless steel and an increased interest in professional pots highlighted the cookware scene.

Food processor sales, reported mixed, are still a healthy part of projected electric housewares business for the '80s.

Prerecorded Videocassette Report 58

Simultaneous release of feature-length films through motion picture houses and cassettes should be more noticeable by spring. Also, look for more how-to tapes, price changes (some higher, a few lower), a rapidly expanding list of titles from some of the "new" entrants into the market, and a jump by more adult programmers into the general release business.

As for this month's Top 50 chart, it's topped by "The Godfather"—both of them.

CES Coverage 47

Most of the talk on the CES floor was about video—all kinds of videotape and videodisc hardware.

Most audio/hifi dealers were generally surprised, if not just plain miffed, at the lack of deals, dumps and dating programs at the show.

And in the personal electronics area, it became evident that the new products are becoming even more personal—they talk back.

Sales Training

Sales training is like the American flag, motherhood and apple pie—almost everybody's for it. However, this month's Retail Opinion File finds dealers disagreeing about almost everything else involving sales training except that it's a must." 16A

Happenings

Despite strong advertising programs and new product introductions, retail telephone sales have been disappointing to retailer and manufacturer alike, a study by Venture Development Corp. shows 66

The largest first-quarter retail promotion in RCA's history is underway and it's concentrated on color tv and VCR products 67

Matsushita will enter the videodisc market with a system that's not compatible with either RCA's or Magnavox's 68

Trendings 8

- Non-electric housewares buyers say they are in an excellent position after a "fantastic" Christmas.
- Spring planning for electric housewares is being done gingerly after a shelf-emptying but marginless Yule.
- Color tv sales are still strong, and dealers see some bright spots in a mixed VCR picture.
- Major appliance retailers remain unworried as they anticipate sales marginally off the '79 pace.
- Audio/hifi dealers expect a tough first half, but a good year overall.
- Personal electronics merchandisers count on heavy "birthday" promos to keep the ball rolling this month.

Store Operations

The door to retail success in the '80s will be opened by computers, if equipment exhibitors at the National Retail Merchants Assn. convention have their way.

Noteworthy were new hardware and software packages designed for the smaller retailer. 56

NARDA Coverage 64B

"Tomorrow" was the theme of this year's NARDA meeting in Las Vegas, but much of the hallway and seminar talk dealt with the fundamentals of merchandising and business management.

Gross margins were mentioned frequently, as were inflation, energy costs, sales training and promotion.

One projection: The home electronics business will nearly double by the end of the '80s.

From the Capital

Different rules for big and small stores have been written into the FTC regulations on warranties, spelling out what merchants must do to see to it that shoppers can examine warranty terms before buying. 6

Product Picture

Electronics 62-63
Housewares 64-64A
Major Appliances 61

Coming in March ***The 58th Annual Statistical Issue & Marketing Report—a compilation of what happened in 1979 in the major appliance, housewares and consumer electronics industries.***

A GRALLA PUBLICATION
VOL. 5, NO. 2 FEBRUARY 1980

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MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to Fulfillment Manager, Merchandising, P.O. Box 2157, Radnor, PA., 19089. Change-of-address notices should sent promptly, provide old as well as new address, include ZIP code number if possible, attach address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to FULFILLMENT MANAGER, MERCHANDISING, P.O. BOX 2157, Radnor, PA. 19089.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Sales training:

You can never have enough of a good thing

'No matter how much you know about the product, over 50% of closing is based on human nature.'

Sales training can take many forms, but it all boils down to an attempt to upgrade the skills and capabilities of retailers and their salespeople. Whether it is training people how to discuss and demonstrate product effectively, or how to greet and qualify customers and how to close the deal, it's like the American flag, motherhood and apple pie—everyone's for it.

Nevertheless, few retailers are totally satisifed with the quality or kind of training available today, according to this month's Retail Opinion File. And not everyone includes sales training as part of his operation. In fact, a surprising 32% of the respondents to this survey said their salespeople did not participate in any sales programs at all in 1979.

Yet, few denied the importance of training. As one dealer commented, "We have too many so-called salespeople who in reality are sales clerks. Sales training is the main ingredient in making them more aware and professional."

And another noted, "It has to be a never-ending effort. Even the pros have to keep learning. The time and money spent on sales and product training pays off in big dividends—more sales, faster sales, more profitable sales."

Among the 68% whose salespeople had some form of sales training last year, 59% said training meetings were held once every two months or less, while 41% indicated a frequency of at least once a month. And 32% stated they expected to increase the frequency of their training efforts this year vs. the 66% who planned no change. A scant 2% noted that they would hold less-frequent training events in 1980.

In a majority of cases (53%), training efforts were both store- and manufacturer-sponsored, while only 9% carried on store-only training programs. However, respondents apparently have more confidence in their own sales meetings, at least to the extent that 72% said they held such sessions at least once a month, with 26% staging them at least once a week.

Although 84% of the retailers answering this month's questionnaire said they were satisfied with the results of manufacturer-sponsored training for their salespeople, the 16% who dissented were sharp in their criticisms.

"Too much sugar coating," said one. Another dealer said, "The reps are not prepared or just don't know what's needed."

While one retailer said, "Too much is crowded into too short a time," another felt that manufacturer programs were "not complete enough."

One respondent complained, "Our salesmen usually wind up training the manufacturer's reps." "Most of the trainers don't know a good product story," said another; "they (manufacturers) no longer have capable people."

But not everyone was critical of manufacturers' training programs. One retailer observed, "With the rapid changes in products and markets, sales training must be more flexible than a factory-sponsored program would permit. Training is necessary on an individual basis."

And another dealer suggested, "Videotapes from suppliers for both sales and product training would be much more beneficial, and longer lasting, too."

Although 77% of the merchants answering the current Retail Opinion File said their salespeople participated in product training during 1979, opinions were divided on the relative importance of sales vs. product training.

"Sales training without product training," said one dealer, "limits product knowledge and will tend to limit salespeople to the customer who is well read and already knowledgeable about the product."

Stated another, "I would rather have my people completely familiar with the product." While a third retailer pointed out, "In today's climate, salesmen need product knowledge to convince the customer to buy his brand over another."

And another respondent suggested, "Sales training is great if you're trying to make a salesperson out of someone, but your best bet is to hire a good salesman to start with and train him on the product you're selling."

And 55% of the retailers replying to the *Merchandising* poll agreed that manufacturers should emphasize product rather than sales training.

But among the dissident 45%, opinions were strong, too. As one dealer commented, "A good salesman can sell poor merchandise; a good piece of merchandise is hard to move with a poor salesman."

And another one insisted, "No matter how much you know about the product, over 50% of closing is based on human nature."

"Sales training is very necessary," said another dealer. "Salesmen need continuous training for new ideas, new approaches, added excitement. It's always good to brush up and pick up some pointers."

Still another retailer believed that most product training was too "spec" oriented. "Customers in general do not understand or care about specs. They want to know only how the specs translate into benefits for them. Training should be geared to translate features into customers benefits," he said.

In sum, although there is unquestionably room for improvement in sales training efforts, according to many respondents, there is no real question about the desirability of good sales training. As one retailer put it: "You can't have too much of a good thing." •

Questionnaire

Did your salespeople participate in sales training programs in 1979?	
Yes	68%
No	32%
How frequently do your salespeople participate in sales training meetings?	
At least once a week	14%
Once every two weeks	6%
Monthly	21%
Once every two months	12%
Once every four months	17%
Less frequently than above	30%
What change do you expect in this frequency in 1980 as compared with '79?	
More frequent	32%
No change	66%
Less frequent	2%
Is this sales training store-sponsored, manufacturer-sponsored, or both?	
Store-sponsored	9%
Manufacturer-sponsored	38%
Both	53%
If you have store-sponsored sales training meetings, how frequently do you have them?	
At least once a week	26%
Once every two weeks	9%
Monthly	37%
Once every two months	8%
Once every four months	7%
Less frequent than above	13%
If your salespeople participate in manufacturer-sponsored sales training programs, are you satisfied with the results?	
Yes	84%
No	16%
What is your salespeople's opinion of sales training?	
Very important	46%
Moderately important	46%
Indifferent	7%
Waste of time	1%
Did your salespeople participate in product training programs in '79?	
Yes	77%
No	23%
Which product(s) did this training emphasize?*	
Electronics	70%
Major Appliances	62%
Housewares	9%
In your opinion, should manufacturers emphasize sales training rather than product training?	
Yes	45%
No	55%

**Adds to more than 100% because of multiple replies.*

Merchandising's TOP 50

	Last month's position	Months on chart
1. **The Godfather**	1	7
2. **The Godfather II**	3	4
3. **Saturday Night Fever**	2	7
4. **M*A*S*H**	4	16
5. **The Sound of Music**	5	11
6. **Patton**	10	16
7. **Butch Cassidy & the Sundance Kid**	8	4
8. **The Longest Yard**	N	1
9. **Looking for Mr. Goodbar**	7	4
10. **Citizen Kane**	42	14
11. **The African Queen**	16	7
12. **Chinatown**	N	1
13. **The Graduate**	33	13
14. **Death Wish**	N	1
15. **King Kong (new)**	12	2
16. **Marathon Man**	9	3
17. **Murder on the Orient Express**	6	4
18. **Tunnel Vision**	41	8
19. **French Connection**	15	16
20. **Carnal Knowledge**	13	13
21. **Wild Geese**	11	12
22. **Nashville**	24	2
23. **Pretty Baby**	N	1
24. **Tora! Tora! Tora!**	28	16
25. **Barbarella**	17	4
26. **The Adventures of Sherlock Holmes' Smarter Brother**	21	2
27. **Hello Dolly**	25	16
28. **A Touch of Class**	26	7
29. **Papillon**	27	14
30. **King Kong (old)**	40	13
31. **The Shootist**	N	1
32. **The Lion in Winter**	36	11
33. **Mighty Mouse**	31	13
34. **The Longest Day**	19	16
35. **The King & I**	23	16
36. **Night of the Living Dead**	34	8
37. **The Dutchess & the Dirtwater Fox**	18	4
38. **Reefer Madness**	44	3
39. **In Praise of Older Women**	N	2
40. **Love Story**	20	3
41. **The Beatles at Shea**	49	11
42. **Bruce Lee—Super Dragon**	22	14
43. **Heckle & Jeckle**	30	6
44. **The Sailor Who Fell From Grace With the Sea**	43	11
45. **Paper Chase**	35	14
46. **A Man and a Woman**	46	12
47. **Fantastic Animation Festival**	N	4
48. **The Day the Earth Stood Still**	29	10
49. **Sand Pebbles**	39	12
50. **The Great Dictator**	N	6